

Memorandum

Date : July 6, 1999

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To : Robert A. Laurie, Presiding Member
David A. Rohy, Vice Chair and Second Member

From : California Energy Commission - Richard K. Buell
1516 Ninth Street Siting Project Manager
Sacramento, CA 95814-5512

Subject : High Desert Power Project (97-AFC-1) Status Report Number 12

The High Desert Power Project Committee's April 19, 1999 **Order re: Parties' Scheduling Proposal** directed staff and other parties to file status reports 30 and 60 days after the applicant had submitted its new mitigation proposal. On May 6, 1999 the Energy Commission Docket Unit received the "Joint Environmental Impact Mitigation Proposal of the Applicant and CURE [California Unions for Reliable Energy]." On June 4, 1999, staff filed its first status report. This status report is our second status report in response to the Committee's April 19, 1999 order.

AIR QUALITY

The Mojave Desert Air Quality Management District (District) issued its Preliminary DOC on May 18, 1999, which initiated a 30 day comment period. The PDOC comment period ended on June 18, 1999, with only minor comments being provided by the applicant. The District issued its Final DOC on June 29, 1999. Staff will require approximately 14 days to incorporate the Final DOC findings and conditions into its final air quality testimony. Staff proposes to file its final air quality testimony on July 15, 1999.

There is, however, one outstanding air quality issue. The Warren-Alquist Act states "[t]he commission may not find that the proposed facility conforms with applicable air quality standards pursuant to paragraph (1) unless the applicable air pollution control district or air quality management district certifies that complete emission offsets for the proposed facility have been identified and will be obtained by the applicant prior to the commission's licensing of the project ..." This section requires that the applicant provide evidence of offset contracts or option contracts prior to certification of a project; this evidence must be presented at a hearing so the Energy Commission can make the appropriate findings. In this instance staff recommends that the Committee direct the applicant to provide evidence of offset contracts or option contracts securing sufficient offsets to meet the offset liability identified in the Final DOC prior to the hearings (see the schedule below)

HAZARDOUS MATERIALS MANAGEMENT

The applicant's new mitigation proposal identified alternative measures to mitigate impacts associated with hazardous materials handling. At the workshop on June 15, 1999, in Victorville, at the Mojave Water Agency, the applicant clarified that it is not

pursuing the second alternative. Staff proposes to file its final hazardous material management testimony on July 15, 1999. It will address only the first alternative discussed in the joint May 6, 1999, mitigation proposal.

WATER RESOURCES

On April 12, 1999, the applicant submitted its evaluation of alternative water supplies for the High Desert Power Project. On May 6, 1999, the applicant submitted a Joint Environmental Impact Mitigation Proposal of the Applicant and California Unions for Reliable Energy. On June 11, 1999, staff filed its draft executive summary of its ground water analysis and significance criteria. On June 15, 1999, staff held a public workshop to discuss its analysis. The workshop discussions were productive and helped clarify issues associated with the project's potential to result in significant impacts on ground water resources. In our June 4, 1999, status report, we indicated that "staff is not certain whether any 'major issues' remain to be resolved between the parties. However, staff is prepared to file its final water resources testimony on July 15, 1999." Based on our preliminary analysis and the workshop discussions, we now believe that the project has the potential to result in significant impacts on ground water resources, unless properly mitigated. Therefore, we believe it prudent to take additional time to document our findings and develop appropriate mitigation measures; we propose to file our final water resources testimony on August 10, 1999. We also propose conducting a workshop between August 16 and August 20 to discuss our water resources findings and to discuss the staff's proposed conditions of certification. We believe that parties should be allowed the opportunity to file rebuttal testimony on water resources by August 31, 1999. Evidentiary hearings could follow shortly thereafter.

BIOLOGICAL RESOURCES

At this time, staff does not believe there are any "major issues" that remain to be resolved. However, staff believes it needs to amend its proposed conditions of certification contained in the April 9, 1999 revised Biological Staff Assessment to ensure the enforceability of the conditions and clarify mitigation requirements to address long-term project activities. Staff proposes to file its final biological resources testimony on August 10, 1999.

PROJECT SCHEDULE

Attached is staff's estimated schedule for the remainder of the project. As staff has previously proposed in its status reports and Prehearing Conference Statements, the Committee could schedule hearings in July or August on topics that the parties have already reached agreement (see the list in our April 9, 1999 Prehearing Conference Statement). Hearings on Air Quality and Hazardous Material Management could be scheduled in August. Hearings on Water and Biological Resources could be scheduled in early September 1999.

Attachment

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cc: Rosella Shapiro
High Desert POS (97-AFC-1)
Ray Menebroker, ARB
Robert Zeller, Mojave Desert
Matt Haber, U.S. EPA
Randy Hill, VVWD
Norman Caouette, MWA
George Walker, USFWS
Roger Cannon, BLM
Gresham, Savage, Nolan, & Tuldebm LLP

STAFF'S ESTIMATED SCHEDULE FOR THE HIGH DESERT POWER PROJECT SCHEDULE

EVENT	DAYS	STAFF ESTIMATED DATE
Applicant Submits Mitigation Plan	0	6-May-99
Mojave District Issues Final Doc	54	29-Jun-99
Parties File Second Status Report	61	6-Jul-99
Staff files Air Quality and Hazardous Material Management te	70	15-Jul-99
Workshop on Staff's Proposed Conditions	84	29-Jul-99
Staff files Water & Soils Resources and Biological Resources Testimony ¹	96	10-Aug-99
Workshop on Staff Water and Biological Resources Testimony	104	18-Aug-99
Start Hearings ²	105	19-Aug-99
Parties file Rebuttal Testimony on Water and Biological Resources	117	31-Aug-99
Applicant files Offset Contracts or Option Contracts	117	31-Aug-99
Conclude Hearings	131	14-Sep-99
Committee Issues Presiding Members Proposed Decision (PMPD)	162	15-Oct-99
Committee conducts hearing on PMPD	174	27-Oct-99
End of PMPD comment period for agencies and others	174	27-Oct-99
Committee Issues Revised PMPD	195	17-Nov-99
State and federal wildlife agencies issue permits or biological opinions	202	24-Nov-99
Commission Hearing on Revised PMPD	209	1-Dec-99
Adopt Decision	209	1-Dec-99

¹ Fish and Game may request additional time to address water and biological resources after second water resources workshop.

² Hearings could begin in July on topics that parties have reached agreement.